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Meeting of Guatemalan Group
Wednesday, June 2, 1954

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Present: Holland, Woodward, Furrows, Cale, Leddy, Fisher, Atwood, Donnelly, Clark, Wieland, Hill, Ohmans, Jamison, Pearson

1. Assembling and Organizing of Information - Leddy

(a) It was agreed that in response to Beaulac's query, we would send a message authorizing him to give the Chilean Government such paraphrased summary of circulars 442 and 443 as he considered necessary for presenting our views clearly.

(b) It was agreed that further follow-up work on the Alfhem documentation will be shifted from Jamison to Leddy.

(c) Holland indicated he was still waiting for pictures and sworn statements concerning the boxcars in Guatemala near the Honduran border loaded with arms.

(d) It was agreed that we would follow-up further on the preparation of the Nicaraguan, Salvadoran and Honduran cases for the OAS, and that we would urge in addition that Cuba and Panama prepare cases. It was decided not to urge the Dominican Republic to prepare a case.

(e) Holland expressed his dissatisfaction with Figueres' answer that he has no objection to an OAS meeting. It was agreed to cable Ambassador Hill to ask him to attempt to get a positive statement from Figueres regarding the meeting and the position he will take.

(f) In response to a query, Holland said that it appears we will get 17 or 18 votes in favor of our resolution. Bowdler will be asked to prepare a summary memorandum on the status and content of the responses.

(g) It was agreed that McFall's report of the Finnish position regarding our request for cooperation was all that could be expected.

2. Publicity and Propaganda - Wieland

(a) Statement for Secretary on UFCO - Wieland presented a draft statement to Holland. After discussion it was agreed that the statement essentially should (1) stress the importance of a UFCO settlement in Guatemala apart from the question of Communism, (2) state that President Eisenhower's suggestion in his meeting with Torriello was for a commission to consider the settlement of the problems of UFCO and other American business enterprises and not for the discussion of U.S.-Guatemalan relations as stated by Torriello, and (3) indicate that we don't need a commission to examine U.S.-Guatemalan relations but that Guatemala needs only to eliminate Communist control. Holland asked Wieland to consider

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to consider whether this revised statement for the Secretary should be issued immediately or held for the Secretary's press conference on Tuesday, June 8.

(b) It was agreed that we should not encourage any meeting for discussion between Urbans and President Eisenhower.

(c) Wieland and Clark said they had an outline of a propaganda action program and that USIA has authorized the necessary funds. Holland wished to see this plan as soon as it was ready. In this connection, Donnelly suggested the use of Ravines' Yenan Vays it was also reported by Clark that a statement would be obtained from Mrs. Roosevelt and that a draft resolution was being provided for the Federation of Women's Clubs which is meeting now in Washington.

(d) Donnelly asked that Wieland and Clark keep in touch with Bob Murphy regarding a Vatican statement.

(e) It was agreed that there should be wide publicity in connection with the visit to the U.S. by the Honduran military man, Velasquez, in order to create further nervousness in Guatemala.

(f) Donnelly suggested that Clark and Wieland talk with Charles Murphy of Time and Life since he is on our side.

(g) It was agreed that Nufer should not make any reply to the Galich statement in Buenos Aires.

3. Transfer of Specific Assignments to Other Sections of the Department and Other Agencies of Government - Woodward

4. Preparation and Presentation of the Guatemalan Case to the OAS - Dreier

(a) Documentation of the Case - Dreier, Jamison, Sanders and Whiteman are to work on this job which Holland indicated would be a tremendous task. Jamison reported that his work on the Alfhem case had prevented his getting this underway. Holland urged that no time be lost to get this completed.

(b) Draft Resolution - Holland planned to give Lleras a copy of the "Whereas" clauses today. It was agreed that "travel of agents" should be included only in the Recommendations and not in the Findings. Jamison was to give a copy of the latest draft of the resolution to Funis. Holland urged that we get the draft resolution in final shape as soon as possible so that we can give it to the Latin American Ambassadors here and to their Presidents and Foreign Ministers.

5. Anticipation and Rebuttal of Guatemalan Case - Dreier

(a) Jamison presented a draft statement prepared for Lodge in anticipation of a possible Russian move in the Security Council.

(b) Holland stressed the importance of working closely with Zuleta and of making him feel that he is participating in an important way.

(c)

(c) Holland said we should consider how best we can use Seville-Sacasa who also wants to help.

(d) At Wieland's suggestion it was agreed we should cable McDermott as to how we might get Canessa to participate.

6. Implementation of Sanctions and Relations with Successor Government - Woodward

(a) It was agreed that Woodward should study the effects of measures we take with respect to Guatemala upon the other Central American countries.

7. Economic Cost of the Guatemalan Case - Cale, Dohan, Burrows and Atwood

(a) Cale handed Holland a memorandum prepared by the group.

(b) Cale asked Holland what Morton had done (1) to get the support of the House membership for the Brazilian ship bill and (2) to get support in both houses to head off amendments to the Sugar Act. Holland said he would check.

(c) In response to Donnelly's query as to what we should tell the Venezuelans on petroleum, Holland replied that he had recommended that a statement be issued by the President opposing any restrictions on Venezuelan oil imports, any changes in the sugar legislation, and any restrictions on lead and zinc. This was done at the suggestion of Dr. Eisenhower who offered to be at a meeting with the President on June 8 in support of this proposal.

8. Liaison with General Ridgway - It was agreed that Pawley and Dreier would do this.

9. Torriello Letter Inviting Rabb to Guatemala - Max Rabb, Associate Counsel to the President, reported to Holland that Chocano told him that Torriello had written asking that Rabb be invited to come to Guatemala to discuss U.S.-Guatemalan relations. Holland considered this further evidence of Guatemalan nervousness.

10. Meeting Place - After discussion it was agreed that Montevideo was still the most desirable meeting place. Note was taken of Nufer's views on Argentine sensitivity, Santiago as an alternate except for the heavy Communist influence there, Venezuela's difficult relations with Uruguay, and Donnelly's suggestion that if Montevideo was not decided, the meeting should be in Washington. Holland reported that Mora had said that Uruguay planned to tell Guatemala (a) we don't plan to attack you, but (b) we hope you will come to the conference and be in a position by that time to say you have eliminated Communist influence in your government.

11. Holland asked Jamison to prepare a statement on the method of handling voting requirements under the Rio Treaty.

12. Legislation - Jamison reported that the draft legislation for authorizing the implementation of measures under the Rio Treaty is stalled with Bowie. In response to Jamison's question as to why we need this legislation, Holland said

he had

he had recommended it because Jamison said we needed it.

13. Donnelly thought it was especially important that we talk with Pedro Estrada when he is up in New York.

14. In response to Donnelly's query, it was pointed out that we have a memorandum on the voting record of Guatemala in the UN but that the record will not be particularly helpful in our case.

15. At the beginning of the meeting, Holland indicated to Pearson that he was to note the actions and decisions taken in these meetings and to make sure that action is progressing with respect to them.

ARA:WMPearson:vas